

291 - UNEMPLOYMENT INTERNAL SERVICE FUND

Operational Summary

Description:

The Unemployment Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

Strategic Goals:

- Fund 291 is one of the five Internal Service Funds under Employee Benefits. Employee Benefits operates under the Strategic Priorities and Business Plan for Human Resources and administers employee benefit programs as supported by the Board of Supervisors.

FY 2003-2004 Key Project Accomplishments:

- An Actuarial Valuation of this fund is in the final stages and early indications are that the current rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.

UNEMPLOYMENT ISF - The Unemployment Insurance Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Employee Benefits Division supports the Board of Supervisors adopted strategic priorities as they relate to the implementation and administration of employee benefits.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	1,409,586
Total Recommended FY 2004-2005 Budget:	10,866,382
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Recommended Base Budget:

The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits combined with worsening conditions in the labor market have resulted in increases in unemployment costs. An Actuarial Valuation of this fund is in the final stages and early indications are that the current rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	7,156,142	10,572,494	10,650,315	10,866,382	216,067	2.03
Total Requirements	1,452,802	9,666,097	1,433,336	10,866,382	9,433,046	658.12
Balance	5,703,340	906,397	9,216,979	0	(9,216,979)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Unemployment Internal Service Fund in the Appendix on page 608.

Highlights of Key Trends:

- The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits combined with worsening conditions in the labor market have resulted in increases in unemployment costs. An Actuarial Valuation of this fund is in the final stages and early indications are that the current rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.
- A total of \$3,260,154 was transferred during FY 03-04 from the County's Miscellaneous Fund 004 to reimburse Fund 291 for disbursements made during FY 97-98 through FY 01-02 for Human Resources services that were later deemed not appropriate for payment from this fund. However, these charges for Human Resources services are expected to be claimed against those agencies and departments with outside funding sources, and the reimbursed amounts to be re-deposited into the General Fund.

291 - UNEMPLOYMENT INSURANCE ISF

Operation of Internal Service Fund 291 Operational Statement for the Fiscal Year 2004 - 2005

Operating Detail (1)		2002-2003 Actual (2)	2003-2004 Estimate (3)	2004 - 2005 Proposed Budget (4)	2004 - 2005 Final Budget (5)
Operating Income					
7670	Miscellaneous Revenue	0	1,989	0	0
7710	Insurance Premiums	1,434,599	1,586,510	1,560,000	1,560,000
Total Operating Income		1,434,599	1,588,499	1,560,000	1,560,000
Operating Expenses					
Services & Supplies					
1900	Professional And Specialized Services	261,822	58,594	57,956	57,956
1911	CWCAP Charges	7,989	13,597	9,155	9,155
Total Services & Supplies		269,811	72,191	67,111	67,111
Other Charges					
3500	Judgments And Damages	(154,000)	0	0	0
3510	Other Charges - Operating	1,329,377	1,353,003	10,790,271	10,790,271
Total Other Charges		1,175,377	1,353,003	10,790,271	10,790,271
Total Operating Expenses		1,445,188	1,425,194	10,857,382	10,857,382
Total Operating Income (Loss)		(10,589)	163,305	(9,297,382)	(9,297,382)
Non-Operating Revenue					
6610	Interest	109,231	74,072	89,403	89,403
Total Non-Operating Revenue		109,231	74,072	89,403	89,403
Non-Operating Expense					
1912	Investment Administrative Fees	7,614	8,142	9,000	9,000
Total Non-Operating Expenses		7,614	8,142	9,000	9,000
Net Non-Operating Income (Loss)		101,617	65,930	80,403	80,403
Income (Loss) Before Contributions & Transfers *		91,028	229,235	(9,216,979)	(9,216,979)
Statement Of Changes In Net Assets - Unrestricted					
Income (Loss) Before Contributions & Transfers		91,028	229,235	(9,216,979)	(9,216,979)
7810	Intrafund Transfers In - From Fund 100	0	3,260,154	0	0
Changes To Reserves - Encumbrance - (Inc.)/Dec.		0	24,250	0	0
Increase (Decrease) In Net Assets - Unrestricted		91,028	3,513,639	(9,216,979)	(9,216,979)
Net Assets - Unrestricted - Beginning Of Year		5,612,312	5,703,340	9,216,979	9,216,979
Net Assets - Unrestricted - End Of Year		5,703,340	9,216,979	0	0

* Note - Loss Before Contributions & Transfers Is Offset By Net Assets - Unrestricted Carried Forward From Previous Fiscal Year.